In the Matter of Application of CALIFORNIA-AMERICAN WATER SERVICE COMPANY (U 210 W) for an order authorizing it to increase its rates for water service in its Los Angeles District to increase revenues by \$2,020,466 or 10.88% in the year 2007; \$634,659 or 3.08% in the year 2008; and \$666,422 or 3.14% in the year 2009.

A.06-01-005 (Filed January 9, 2006)

LATE-FILED NOTICE OF EX PARTE COMMUNICATION OF THE DIVISION OF RATEPAYER ADVOCATES

The Division of Ratepayer Advocates (DRA) submits this Notice in accordance with Rule 8.5 of the CPUC's Rules of Practice and Procedure.

On September 12, 2007, DRA representatives met with Laura Krannawitter, Advisor to Commissioner Bohn, at her request. The communication occurred in the Commission's San Francisco office at approximately 10:30 am and lasted approximately thirty minutes. Present for DRA were Danilo Sanchez (Program & Project Manager), Jason Zeller (Assistant General Counsel), Yoke Chan (Senior Analyst). Natalie Wales (DRA Counsel) participated by phone. Also present were the following representatives of California-American Water Company (Cal-Am): Kent Turner (President), Dave Stephenson (Manager of Rate Regulation), and Lori Dolqueist of Steefel, Levitt & Weiss (Counsel).

DRA agreed that implementing conservation rates in the Los Angeles district is important, and that Phase II of the proceeding should be resolved in a timely manner. DRA stated that it continued to support the conservation rates in the proposed Phase II

settlement between Cal-Am and DRA, but that the disputed issues were the nature of the associated regulatory mechanism that should be adopted and whether an adjustment to return on equity (ROE) is appropriate for the mechanism that is adopted. DRA recommended that the ROE issue be addressed in the Conservation OII proceeding (I.07-01-022). In response to Cal-Am's suggestion of developing some kind of Conservation Loss Adjustment Mechanism (CLAM), DRA stated that it would consider any proposals by Cal-Am.

Copies of this Notice can be obtained by calling or sending e-mail to Sue Muniz at (415) 703-1858 (e-mail - sam@cpuc.ca.gov).

Respectfully submitted,

/s/ NATALIE D. WALES

Natalie D. Wales Staff Counsel

Attorney for the Division of Ratepayer Advocates

California Public Utilities Commission 505 Van Ness Ave. San Francisco, CA 94102 Phone: (415) 355-5490

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September 19, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of LATE-FILED NOTICE OF EX PARTE COMMUNICATION OF THE DIVISION OF RATEPAYER ADVOCATES" in A.06-01-005 by using the following service:

[X] **E-Mail Service:** sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

[X] **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses, if any.

Executed on September 19, 2007 at San Francisco, California.

/s/ ROSEMARY MENDOZA
Rosemary Mendoza

NOTICE

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

SERVICE LIST A.06-01-005

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